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Updated overview of the major international economic and policy challenges for equitable and inclusive sustained economic growth and sustainable development, and of the role of the United Nations in addressing these issues in the light of the New International Economic Order

Report of the Secretary-General

Summary

Pursuant to General Assembly resolutions 3201 (S-VI) and 3202 (S-VI), the present report provides an updated overview of the major international economic and policy challenges for equitable and inclusive sustained economic growth and sustainable development and of the role of the United Nations in addressing these issues in the light of the New International Economic Order. On the basis of the reviews of the Millennium Development Goals, the present report assesses the progress made and challenges faced in achieving inclusive and equitable economic growth and sustainable development. It finds that there were significant achievements but that much remains to be done through the implementation of the 2030 Agenda for Sustainable Development in the coming years. The report reviews the challenges to sustained economic growth faced during 2014-2016, showing that a protracted period of slow productivity growth and weak investment has been exacerbated by rising volatility in exchange rates and capital flows and a period of low commodity prices and declining trade flows. This has posed major challenges to sustained economic growth in many developing countries. The report notes that there was a lack of strong coordinated international response in dealing with the aforementioned challenges, illustrating that the calls made in the outcome documents relating to the New International Economic Order are still highly relevant.

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I. Introduction

1. More than 40 years ago, on 1 May 1974, the General Assembly, in its resolutions 3201 (S-VI) and 3202 (S-VI), adopted the Declaration on the Establishment of a New International Economic Order and the Programme of Action on the Establishment of a New International Economic Order, respectively. In those outcome documents, the United Nations pledged to correct the inequities in the international system; redress the injustices; eliminate the gap between developed and developing countries; ensure steadily accelerating economic and social development; and secure peace and justice for the present and future generations. Since then, the world community has made important progress in achieving these goals, although much remains to be done.

2. Several milestones have been reached since the issuance in 2014 of the previous report of the Secretary-General on the subject (A/69/203). In particular, the reference period of the Millennium Development Goals expired in 2015, giving rise to an important occasion to take stock of the progress towards achieving those Goals. In September 2015, the General Assembly, in its resolution 70/1, adopted the 2030 Agenda for Sustainable Development, which contains the Sustainable Development Goals, with greater emphasis on environmental protection and integration of the economic, social and environmental dimensions of sustainable development. In July 2015, the world community adopted the Addis Ababa Action Agenda of the Third International Conference on Financing for Development (resolution 69/313, annex), aimed at mobilizing the resources necessary for the implementation of the Sustainable Development Goals. In December 2015, at its twenty-first session, the Conference of the Parties to the United Nations Framework Convention on Climate Change adopted the Paris Agreement, aimed at confronting climate change more effectively. The present report examines the outcomes and follow-up activities of those three milestones in the light of the objectives and proposals of the New International Economic Order as contained in the Declaration and the Programme of Action. It also reviews other recent developments regarding sustained, inclusive and equitable economic growth and sustainable development from the vantage point of the New International Economic Order.

3. The report comprises two main parts: section II deals with issues of sustained economic growth of a short-term nature, while sections III and IV deal with medium- and long-term issues of inclusive and equitable economic growth and sustainable development. Nevertheless, the two sets of issues and the efforts required to address them are interrelated.

4. One of the objectives of the New International Economic Order was to ensure stability through measures to check inflation and to eliminate the instability of the international monetary system, in particular the uncertainty of the exchange rates (resolution 3202 (S-VI), sect. II (1) (a) and (b)), so that developing countries could achieve sustained economic growth. Section II focuses on recent economic developments in the context of the continued challenges to achieving sustained economic growth during 2014-2016. It shows that growth rates during that period slowed down in several key developing countries and economies in transition, while exchange rate volatility intensified and global inflationary trends diverged. The weak prospects for the global economy put at risk vital public investment in education, health and action on climate change, as well as progress in poverty reduction. Coordinated international efforts have so far proved inadequate to

confront the economic slowdown and lack of adequate employment growth. The stability objective of the New International Economic Order thus still remains a challenge at present.

5. The New International Economic Order placed significant emphasis on minimizing the environmental impact of development. The Declaration and the Programme of Action stressed the need to refrain from damaging or deteriorating natural resources and prevent pollution (Programme of Action, sect. I (2) (d)); to put an end to the waste of natural resources, including food products (Declaration, para. 4 (q)); and to replace synthetic substitutes with natural products and utilize fully the ecological advantages of natural products (Programme of Action, sect. I (1) (f)). The New International Economic Order also advocated what is now called the "nexus approach" to food production and the conservation of land and water resources, including arresting desertification and salination (Programme of Action, sect. I (2) (c)). The present report takes that as the reference point against which to examine the actual progress and the advances made since 2014.

6. Section III is a review of the progress made in recent years regarding inclusive and equitable growth and sustainable development, including the achievements of the Millennium Development Goals in the light of the objectives of the New International Economic Order. It also reviews other efforts towards achieving goals that were not included among the Millennium Development Goals but are related to those objectives. The review shows that, despite the progress made, many of the objectives of the New International Economic Order still remain to be achieved.

7. Section IV examines the Sustainable Development Goals, the Addis Ababa Action Agenda and the Paris Agreement through the prism of the Declaration and the Programme of Action. It shows that significant progress has been made in carrying forward the spirit and principles of the New International Economic Order enshrined in those outcome documents. Examples of that progress can be seen in the participatory process of formulating the Sustainable Development Goals and in the greater role accorded to the individual nations in determining priorities, strategies and policies for the implementation of the Goals. It can also be seen in the greater emphasis given in the Addis Ababa Action Agenda to North-South technology transfer and in the emphasis in the Paris Agreement on the necessity of financial assistance by developed countries to developing countries for adaptation, in addition to mitigation.

8. Section V focuses on the role of the United Nations in ensuring inclusive and equitable growth and sustainable development. The Declaration called for an even greater role for the United Nations in the establishment of the New International Economic Order (para. 6). The Declaration and the Programme of Action detailed the specific ways in which different organs and agencies of the United Nations could play a role. Continuing in that spirit, the Sustainable Development Goals, the Addis Ababa Action Agenda and the Paris Agreement all call for a greater role for the United Nations. Moreover, they have set in motion several new forums and processes through which the United Nations can be more effective in supporting follow-up and review and ensuring that the goals set in the three aforementioned outcome documents are achieved. Progress in achieving inclusive and equitable economic growth and sustainable development in the coming years will depend to a large extent on the effective use of those forums and processes.

II. Challenges to sustained economic growth

9. Since the issuance of the previous report on the subject, the global economy has failed to regain a healthy rate of economic growth and faced several important challenges. Among them are: persistent weakness of domestic demand in developed economies; low commodity prices and declining trade flows; rising volatility in capital flows and exchange rates; and a protracted period of slow productivity growth and weak investment. There is a risk that the extended period of weak global growth exhibited since the global financial crisis of 2008 may persist, posing significant challenges for economic and social development and the goal of the New International Economic Order of achieving sustained global economic growth.

A. Economic slowdown in major developing economies and inadequate expansion of employment

10. Since the global financial crisis of 2008, global economic growth has remained on a markedly lower trajectory, posing significant challenges for economic and social development. According to the *World Economic Situation and Prospects 2016* update as of mid-2016,[1] gross world product is expected to expand by just 2.4 per cent in 2016, the same rate as in 2015, after growth of 2.6 per cent in 2014. For comparison, the average annual growth rate in the decade leading up to the crisis was 3.4 per cent. The slowdown since 2014 has been more marked in developing countries and economies in transition. Gross domestic product (GDP) growth in China has moderated from 7.3 per cent in 2014 to a projected 6.4 per cent in 2016, while Brazil and the Russian Federation have both suffered deep and prolonged downturns, with output declining in both 2015 and 2016. Persistent weakness in aggregate demand in developed economies has acted as a drag on global growth, while low commodity prices, mounting fiscal and current account imbalances and policy tightening have dampened the growth prospects of many commodity-exporting economies. This has been further compounded by severe weather-related shocks, political challenges, significant exchange rate fluctuations and large capital outflows in many developing regions. The protracted period of slow productivity growth and feeble investment will continue to weigh on the global growth potential in 2017 and beyond.

11. Subdued economic growth worldwide has impeded the pace of employment generation in recent years. At the global level, the employment rate (employment-to-population ratio) remains below the level that prevailed before the global financial crisis, and the average rate of job creation has slowed to about 1.4 per cent per annum since 2011, compared with an average annual growth rate of about 1.7 per cent in pre-crisis years. Globally, the total number of unemployed is estimated to have reached 203 million, with an estimated 27 million more unemployed persons at present than on the eve of the financial crisis.

[1] United Nations, "*World Economic Situation and Prospects 2016*: update as of mid-2016" (New York, 2016).

B. Declining trade growth and falling commodity prices

12. International trade is an important determinant of global growth and development. Global trade growth slowed significantly in 2015, to 2.4 per cent, and remains tepid in 2016. The subdued performance of world trade reflects a combination of weak aggregate demand (emanating initially from the slow recovery in the euro area and more recently from the slowdown of large emerging economies) and the extended period of weak global investment. Given the continued uncertainty over the global economy, investment growth is expected to remain weak, and a significant rebound in capital goods trade is unlikely in the near term.

13. Commodity sectors in particular have experienced significant cutbacks in investment recently, reflecting a sharp drop in commodity prices. The oil price plummeted by more than 50 per cent from mid-2014 until the end of 2015, before recovering some of its losses in the first half of 2016. Non-oil commodity prices have followed a broadly deteriorating trend since 2011, with a particularly sharp drop in metals prices during 2015. Those price adjustments have led to a substantial shift in terms of trade and a sharp deterioration of GDP growth in commodity-dependent economies.

C. Capital flows and official development assistance

14. Since the onset of the global financial crisis, the developed countries relied largely on a range of conventional and unconventional monetary policy tools, leading to an unprecedented degree of monetary accommodation, to stimulate growth. In conjunction, most types of capital inflows to developing countries rebounded, partly reflecting investors' "search for yield". The United States of America announced its intention to begin moving towards a less accommodative monetary stance in 2013. This was associated with a shift in global risk appetite that also had an impact on the direction of capital flows. Net capital flows to developing countries and transition economies turned negative in 2014. In 2015, net capital outflows from emerging economies reached $570 billion, with gross inflows plummeting to $290 billion — after averaging $1.2 trillion between 2010 and 2014 — and gross outflows posting $860 billion. Overall, the largest net outflows in 2015 were from East and South Asia and the Commonwealth of Independent States. Similar trends were observed in virtually all major emerging economies, particularly those that received large inflows of capital between 2009 and 2013, such as Brazil and Turkey. Capital outflows from China surged, reflecting corporate efforts to reduce exposure to dollar-denominated debt and expectations of a depreciation of the renminbi. Foreign direct investment flows declined in Africa, Latin America and the economies in transition in 2015, while commercial banks continued to reduce their exposure to higher-risk areas, including emerging markets. Declines in commodity prices, the slowdown in China and other emerging economies, and the prospects of higher interest rates in the United States all contributed to the net capital outflows from developing economies.

15. *Official development assistance* (ODA). An important source of finance for many developing countries, particularly the least developed countries, reached $131.6 billion in 2015, according to preliminary estimates by the Organization for Economic Cooperation and Development. While this reflects an 83 per cent rise in real terms since 2000, as a group, developed countries continue to fall short of their

commitments. In aggregate, Development Assistance Committee donors provided 0.3 per cent of their gross national income (GNI) as ODA in 2015, compared with the United Nations target of 0.7 per cent of GNI. ODA to the least developed countries has also been far below the target.

D. Policy responses to challenges

16. Coordinated international policy responses to the challenges have been less than adequate. Going forward, Member States can exploit the momentum that has been generated with the landmark global agreements reached in 2015. Those global agreements should encourage Member States to take bolder policy measures at the national, regional and global levels to restart the engine of growth and create an enabling environment for the 2030 Agenda for Sustainable Development.

17. More robust fiscal policy stances coordinated among the largest economies could provide a much-needed impetus to the global economy. Equally critical is the coordination of monetary and macroprudential policies to align the objectives of financial stability and growth and to ensure that finance indeed supports the real economy and that the world economy does not lapse into yet another financial crisis. Furthermore, economic, social and environmental policies need to be coordinated to realize the comprehensive and universal 2030 Agenda for Sustainable Development. Clearly, the call of the New International Economic Order for an international mechanism for dealing with problems of instability remains relevant, and more effective use to tackle those challenges can be made of existing forums, such as the Economic and Social Council and the Group of 20.

III. Progress and challenges in achieving inclusive and equitable economic growth and sustainable development

18. Sustained economic growth should help to reduce poverty, increase health and educational opportunities, create decent jobs with liveable wages and improve the capabilities of members of society. For that to happen, economic growth has to be inclusive and equitable. Furthermore, economic growth has to ensure protection of the environment. Many of those goals were included in the Millennium Development Goals. The present section makes use of the Millennium Development Goal reviews conducted in 2015, which marked the expiry of the reference period of the Goals, in order to assess the progress made towards achieving inclusive and equitable economic growth and sustainable development. The section also reviews progress with regard to other goals related to the New International Economic Order agenda that did not have a prominent role in the Millennium Development Goals.

A. Millennium Development Goals: achievements and remaining challenges

19. According to the final *Millennium Development Goals Report*,[2] more than 1 billion people have exited extreme poverty since 1990, and the proportion of undernourished people in developing countries has fallen by almost half. The

[2] United Nations, *Millennium Development Goals Report 2015* (New York, 2015).

primary school net enrolment rate in developing nations reached an estimated 91 per cent in 2015, up from 83 per cent in 2000, allowing the number of out-of-school children of primary school age to drop by almost half. In sub-Saharan Africa, the number of children enrolled in primary school more than doubled between 1990 and 2012. The literacy rate among young people ages 15 to 24 increased globally from 83 per cent to 91 per cent between 1990 and 2015. There is more gender equality as well: about two thirds of developing countries have gender parity among their primary school students.

20. With regard to health, the global under-5 mortality rate declined by more than half between 1990 and 2015. Indeed, the rate of reduction in global under-5 mortality has more than tripled since the early 1990s. Measles vaccination helped to prevent nearly 15.6 million deaths between 2000 and 2013. By 2013, about 84 per cent of children globally had received at least one dose of measles-containing vaccine. In 2014, almost three out of four births were assisted by skilled health personnel, an improvement from three out of five in 1990. The maternal mortality ratio has been cut nearly in half since 1990, with most of that improvement occurring since 2000. As for global pandemics, new HIV infections fell by approximately 40 per cent between 2000 and 2013. By June 2014, the number of people worldwide with HIV and receiving antiretroviral therapy was 17 times greater (13.6 million) than in 2003 (0.8 million). Malaria killed 6.2 million fewer people (primarily children under 5 years of age in sub-Saharan Africa) between 2000 and 2015, owing to the expansion of antimalarial interventions. Likewise, prevention, diagnosis and treatment of tuberculosis saved an estimated 37 million lives between 2000 and 2013.

21. Contributing to the achievements in health was the progress in water and sanitation. In 2015, 91 per cent of the global population used an improved drinking water source, compared with 76 per cent in 1990. Since 1990, 2.1 billion people have gained access to improved sanitation, and the proportion of people practicing open defecation globally has fallen by almost half. The proportion of the urban population living in slums in developing countries decreased by about 10 percentage points between 2000 and 2014. The ozone layer is expected to recover by the middle of the twenty-first century, thanks to the almost complete elimination of ozone-depleting elements.

22. Going forward, however, much more needs to be done. According to the same *Millennium Development Goals Report 2015*, one in seven children worldwide is still underweight. In 2015, 16,000 children under 5 years of age died each day, mainly from preventable causes. Only half of pregnant women receive the recommended minimum of four antenatal care visits in developing countries. In 2014, less than two out of five young people aged 15 to 24 years in sub-Saharan Africa had complete and accurate knowledge of HIV/AIDS. Only one third of the population in developing countries uses the Internet, compared with 82 per cent in the developed regions.

23. In addition, big gaps exist between the poorest and richest households, between men and women, and between rural and urban areas. In the developing countries, children in the poorest households are four times more likely to be out of school than children in the richest households. Only half of working-age women participate in the labour force, compared with about three quarters of working-age men. Only one in five members of parliament is a woman. Only slightly more than

half of births in rural areas of developing countries are attended by skilled health personnel, compared with 87 per cent in urban areas. Thus, much remains to be done to make economic growth inclusive and equitable. Completing the "unfinished business" of the Millennium Development Goals was therefore regarded as an important component of the Sustainable Development Goals.

B. Progress and challenges with regard to environmental goals of sustainable development

24. The international community exerted considerable effort towards the protection of the environment during the period of the Millennium Development Goals. Some of the important dimensions of that effort are found below.

Aichi Biodiversity Targets

25. An important development in the global effort to protect the environment was the adoption in 2010 of the Aichi Biodiversity Targets for 2011-2020. Those wide-ranging Targets were subsequently included in Millennium Development Goal 7. Some of the Aichi Targets, such as conserving at least 17 per cent of terrestrial and inland water areas and 10 per cent of coastal and marine areas by 2020, are on track to be met, although many sites are poorly conserved and open oceans and deep sea areas, including the high seas, are not well covered. Progress towards the majority of the other Aichi Targets remains slow, however. The idea of declaring and actually treating certain parts of the Earth as conserved and free from human intervention is gaining popularity with time. The realization that human beings are to share the Earth with other species and not monopolize it for themselves is dawning. Some scholars have called for preserving half of the Earth as wilderness, going beyond the Aichi Targets.[3]

Climate change

26. The world community persisted with its climate change mitigation efforts under the auspices of the Conference of the Parties to the United Nations Framework Convention on Climate Change. Despite the adoption of the Kyoto Protocol, the world's energy-related carbon dioxide emissions, instead of decreasing, increased by about 50 per cent, from 20.62 gigatons in 1990 to 31.49 gigatons in 2012, the last year of the Protocol's reference period.[4] Developing countries surpassed developed countries in terms of their contribution to the global greenhouse gas emissions. Surpassing the United States, China became the largest emitter in terms of total emission. It also surpassed the European Union in terms of per capita greenhouse gas emission.

27. Although the international community's goal of arriving at another global treaty aimed at reducing greenhouse gases has proved difficult to achieve, the general efforts regarding climate change seem to be bearing some fruit. For the first time, the global greenhouse gas emission level seems to have flattened for two consecutive years without any accompanying economic crisis. The global volume of

[3] See e.g. Edward O. Wilson, *Half-Earth: Our Planet's Fight for Life* (New York, W. W. Norton and Company, 2016).

[4] International Energy Agency, "Decoupling of global emissions and economic growth confirmed", 16 March 2016.

energy-related carbon dioxide emissions was 32.07, 32.13 and 32.14 gigatons in 2013, 2014 and 2015, respectively. While to some extent the flat emissions growth is a reflection of a weak global economy, it also reflects shifts in energy sources towards renewable energy, as well as structural transformation towards lower-emitting economic activities, and may be taken as a sign of the decoupling of carbon dioxide emissions from economic growth.

28. Furthermore, it is encouraging that the volume of emissions decreased in both China and the United States, the two largest emitters. In the United States, emissions declined by 2 per cent between 2011 and 2015, owing mainly to a switch from coal to natural gas in electricity generation. In China, emissions decreased by 1.5 per cent for two years in a row (2014-2015), made possible mainly by economic restructuring towards less energy-intensive industries and less use of coal in the generation of electricity. The share of coal-generated electricity in China decreased from 80 per cent in 2011 to 70 per cent in 2015. During the same period, the share of electricity from low-carbon sources (mostly wind and hydro) increased from 19 to 28 per cent. Those developments provided an encouraging background for the Paris Agreement, discussed later in the present report.

29. At the same time, the atmospheric carbon concentration level has already exceeded 400 parts per million and continues to increase. Thus, difficult tasks lie ahead if the global temperature rise is to be limited to 2°C above pre-industrial levels, characterized by an atmospheric carbon concentration level of only about 250 parts per million.

IV. Inclusive and equitable economic growth and sustainable development in future goals and agendas

30. The review in section III shows that while significant progress has been made in achieving inclusive and equitable economic growth and sustainable development, much remains to be done in the future. Historic steps were taken in 2015 towards formulating the goals and agenda for the future. Among those were the adoption of the Sustainable Development Goals, the Addis Ababa Action Agenda and the Paris Agreement. The present section examines those outcome documents to assess the extent to which they carry forward the ideas, calls and suggestions of the New International Economic Order.

A. Sustainable Development Goals

31. As the reference period of the Millennium Development Goals was expiring, the world community started to think about the future development agenda. It was in that context that the United Nations Conference on Sustainable Development put forward the idea of formulating the Sustainable Development Goals. That idea came to fruition in September 2015, when a set of 17 Sustainable Development Goals, along with 169 targets, was adopted at the seventieth session of the General Assembly. It is heartening to note that the Sustainable Development Goals carry forward many of the New International Economic Order ideas and objectives.

32. For example, compared with the Millennium Development Goals, the Sustainable Development Goals were formulated through a more open, transparent

and participatory process. That conformed to the Declaration's call for "full and effective participation on the basis of equality of all countries in the solving of world economic problems" (para. 4 (c)).

33. Second, compared with the Millennium Development Goals, the Sustainable Development Goals emphasized "the right of every country to adopt the economic and social system that it deems the most appropriate for its own development and not to be subjected to discrimination of any kind as a result" (Declaration, para. 4 (d)). At the same time, the emphasis on national initiative poses a considerable challenge for developing countries, because setting the right priorities and devising the right strategies and policies will not be an easy task, given the wide-ranging character of the Sustainable Development Goals.

34. Third, unlike the Millennium Development Goals, the Sustainable Development Goals include economic growth and employment (Goal 8) and industrialization and infrastructure (Goal 9) as explicit Goals, along with respective targets, which is congruent with the emphasis of the New International Economic Order on economic growth, industrialization and infrastructure building in developing countries. The Programme of Action advocated, in particular, industrial, export-oriented projects and the setting up of new industrial capacities including raw materials and commodity-transforming facilities in countries that produce those raw materials and commodities (sect. III).

35. Fourth, the Sustainable Development Goals encourage the integration of the three dimensions of sustainable development in general and the nexus approach. The latter is reflected in the Goals with respect to, for example, food security (Goal 2), energy (Goal 7) and urbanization (Goal 11) and is consistent with the approach advocated by the Programme of Action, which, with regard to food, called for the protection of natural resources, the prevention of pollution and the fight against desertification and salination (sect. I (2) (c)-(d)).

36. Fifth, Sustainable Development Goal 12 calls for sustainable consumption and production, which is in agreement with the emphasis of the New International Economic Order on the need to eliminate waste of natural resources, including food. The Declaration called for the use of natural materials in place of synthetic substitutes (para. 4 (m)). The Programme of Action called for full utilization of the ecological advantages of natural products (sect. I (1) (f)).

37. Sixth, Sustainable Development Goal 16 calls for peace and justice as a precondition for achieving sustainable development, which is in agreement with the emphasis of the New International Economic Order on justice as a condition for development and prosperity (Declaration, para. 5).

38. Finally, one of the important features of the Sustainable Development Goals is universality: they apply to all countries, both developed and developing, which conforms to the Declaration's emphasis on the interdependence and interrelationship between the prosperity of the developed countries and the growth and development of the developing countries (para. 3).

B. Addis Ababa Action Agenda and the goals of inclusive and equitable economic growth and sustainable development

39. The Addis Ababa Action Agenda, adopted at the third International Conference on Financing for Development and built on the 2002 Monterrey Consensus of the International Conference on Financing for Development, also advanced the ideas and proposals put forward in the Declaration and the Programme of Action. The Addis Ababa Action Agenda is closely tied to the issue of implementation of the goals of inclusive and equitable economic growth and sustainable development and is an integral part of the 2030 Agenda for Sustainable Development. Full implementation of the Addis Ababa Action Agenda is critical to the realization of the Sustainable Development Goals. Some of the particular areas in which the Addis Ababa Action Agenda carries forward the New International Economic Order ideas and proposals are found below.

National control over natural resources

40. One of the main concerns under the New International Economic Order was the establishment of national control over the natural resources of a country, including the right to nationalize them (Declaration, para. 4 (e), and Programme of Action, sect. VIII (b)).

41. The Addis Ababa Action Agenda reaffirms those rights, declaring that "every State has and shall freely exercise full permanent sovereignty over all its wealth, natural resources and economic activity" (para. 26). It characterizes the principle of national ownership as central to the common pursuit of sustainable development (para. 20). However, the Agenda goes beyond the New International Economic Order to address what may be characterized as next-generation problems with regard to natural resources, that is, problems that are encountered after national control has been established. It underlines the importance of "corporate transparency and accountability" in the extractive industries and encourages countries to implement measures to ensure transparency, such as those under the Extractive Industries Transparency Initiative. It advocates the sharing of best practices and experiences and peer learning and capacity-building for "contract negotiations for fair and transparent concession, revenue and royalty agreements and for monitoring the implementation of contracts" (para. 26).

42. One consequence of poor management of natural resources is illicit capital flows, which is a particularly severe problem for Africa, a continent rich in natural resources. The Addis Ababa Action Agenda calls for reducing illicit financial flows by 2030 through, among other actions, increased transparency and greater international cooperation (paras. 23-24). It also emphasizes the importance of international tax cooperation in order to reduce the problem of illicit financial flows (paras. 27-29).

Favourable terms of trade for developing countries

43. Favourable terms of trade for developing countries were one of the key demands of the New International Economic Order. The Programme of Action called for improvement in the developing countries' terms of trade and for efforts to "promote exports of food products of developing countries through just and equitable arrangements, inter alia, by the progressive elimination of such protective

and other measures as constitute unfair competition" (sect. I (1) (c) and (2) (h)). The Programme of Action called for "improved access to markets in developed countries through the progressive removal of tariff and non-tariff barriers and of restrictive business practices" and "improved compensatory financing schemes for meeting the development needs of the developing countries concerned" (sect. I (3) (a) (ii) and (ix)).

44. The Addis Ababa Action Agenda carries forward many of those ideas and recommendations. It calls for a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system under the World Trade Organization (WTO), as well as meaningful trade liberalization (para. 79). It calls for the implementation of the Bali package and the ratification of the Agreement on Trade Facilitation (para. 80). The Agenda recommends overcoming lack of access to trade finance (para. 81), special assistance to the least developed countries, landlocked developing countries, small island developing States and Africa with a view to doubling their trade share by 2020, as stated in the Istanbul Programme of Action (para. 82). It calls for the conclusion of the Doha Development Agenda and the Hong Kong Ministerial Declaration (para. 83). The Agenda states that the members of WTO will continue to implement the provisions of special and differential treatment for developing countries, in particular the least developed countries, in accordance with WTO agreements (para. 84). In the Agenda, developed country and developing country WTO members declaring themselves in a position to do so were called upon to realize the timely implementation of duty-free and quota-free market access on a lasting basis for all products originating from all the least developed countries, consistent with WTO decisions (para. 85). The Agenda also calls for developing simple and transparent rules of origin applicable to imports from the least developed countries, in accordance with the guidelines adopted by WTO members at the Bali ministerial conference in 2013 (ibid.). The Agenda states that aid for trade can play a major role, in particular for the least developed countries, including through the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries (para. 90).

Reforms of Bretton Woods institutions

45. An important issue that the New International Economic Order emphasized was the reform of the Bretton Woods institutions in order to give more voice to developing countries. The Declaration called for a "reformed international monetary system [aimed at] the promotion of the development of the developing countries and the adequate flow of real resources to them" (para. 4 (l)). The Programme of Action called for an increase in net transfer of real resources from the developed to the developing countries (sect. II (1) (h)). It called for "untied" aid (sect. II (2) (b)) and for more capital and investment flowing into developing countries (sect. III (a)-(c)). It also called for the issuance of special drawing rights for the creation of additional liquidity with particular regard to the needs of the developing countries (sect. II (1) (e)), as well as for the "establishment of a link between special drawing rights and additional development financing in the interest of developing countries" (sect. II (1) (f)).

46. The Programme of Action recommended International Monetary Fund (IMF) reform aimed at increasing effective participation by developing countries in decision-making (sect. II (1) (d)). It called for a review of the IMF methods of

operation, in particular the terms for both credit repayments and standby arrangements and the system of compensatory financing, among others (sect. II (1) (i)). The Programme of Action also called for reform in the World Bank, with greater participation of developing countries in decision-making through the establishment of a more equitable pattern of voting rights (sect. II (2) (c)).

47. Anticipating a more important problem of the future, the Programme of Action called for "maintenance of the real value of the currency reserves of the developing countries by preventing their erosion from inflation and exchange rate depreciation of reserve currencies" (sect. II (1) (c)).

48. The Addis Ababa Action Agenda carries forward many of the above-mentioned ideas and suggestions of the New International Economic Order. In the Agenda, the world community urges IMF to continue its efforts to provide more comprehensive and flexible financial responses to the needs of developing countries, expresses commitment to maintaining a strong and quota-based IMF, with adequate resources to fulfil its systemic responsibilities, and recognizes the importance of strengthening the permanent international financial safety net (para. 107). It recommits to broadening and strengthening the voice and participation of developing countries in international economic decision-making and norm-setting and global economic governance (para. 106). It expresses concern about excessive volatility of commodity prices (para. 108).

Transfer of technology

49. The issue of technology transfer figured prominently in the New International Economic Order. The Programme of Action called for "access on improved terms to modern technology" and for a "code of conduct" for technology transfer (sect. IV (a)-(b)).

50. The Addis Ababa Action Agenda also places considerable emphasis on the necessity of technology transfer. In the Agenda, the world community notes the "digital divide" and the necessity of creation, development and diffusion of new innovations and technologies and associated know-how, including transfer of technology on mutually agreed terms (para. 114). It notes the importance of capacity development, particularly in the least developed countries, small island developing States, landlocked developing countries, African countries and countries in post-conflict situations (para. 115). To facilitate technology transfer, it was decided that a Technology Facilitation Mechanism would be established as a multi-stakeholder collaboration between Member States, civil society, the private sector, the scientific community, United Nations entities and other stakeholders (para. 123).

Development assistance

51. Aside from emphasizing the interrelationship between the prosperity of the developed countries and the growth and development of the developing countries, the New International Economic Order emphasized the importance of developed countries' financial assistance to developing countries. The Declaration called for "the extending of assistance to developing countries" (para. 4 (i)). In particular, it emphasized the need for favourable conditions for the transfer of financial resources to developing countries (para. 4 (o)).

52. In the Addis Ababa Action Agenda, the world community also calls for greater financial assistance from developed to developing countries. While recognizing the importance of mobilization of domestic public resources and domestic and international private resources for the implementation of the Sustainable Development Goals, it urges developed countries "to step up efforts to increase their ODA and to make additional concrete efforts towards the ODA targets" (para. 51). It calls for strengthened regulations, not only to incentivize investment to developing countries but also to foster long-term quality investment, including in areas critical to sustainable development (paras. 35-36).

Debt and debt sustainability

53. Debt reduction and debt sustainability are another issue that the New International Economic Order emphasized. The Programme of Action called for reduction of the burden of debt, debt renegotiation and attention to the situation of each individual country and to the special situation of the least developed countries, small island developing States and landlocked developing countries (sect. II (2)).

54. The Addis Ababa Action Agenda also places considerable emphasis on debt and debt sustainability issues (paras. 93-102). It calls for continuation of support for the remaining countries eligible under the Heavily Indebted Poor Countries Initiative (HIPC) that are working to complete the HIPC process. It calls for exploring initiatives, on a case-by-case, to support non-HIPC countries with sound economic policies to enable them to address the issue of debt sustainability. In the Agenda, the world community declared its support for the maintenance of debt sustainability in those countries that have received debt relief and achieved sustainable debt levels (para. 94). The Agenda draws attention to the principles of the United Nations Conference on Trade and Development on responsible sovereign lending and borrowing (para. 97) and affirms the importance of debt restructuring being timely, orderly, effective, fair and negotiated in good faith (para. 98).

South-South cooperation

55. One of the concepts that the New International Economic Order pioneered was South-South cooperation. The Declaration called for "the strengthening, through individual and collective actions, of mutual economic, trade, financial and technical cooperation among the developing countries" (para. 4 (s)). The Programme of Action recommended economic integration at the regional and subregional levels and mutual preferential treatment among developing countries, including in the provision of credit and investment, and in the areas of industry, science and technology, transport, shipping, and mass communication media (sect. VII (1)).

56. The Addis Ababa Action Agenda carries forward that emphasis on South-South cooperation "as a complement, not a substitute, to North-South cooperation" (para. 56). It encourages "efforts to strengthen South-South cooperation and to further improve its development effectiveness in accordance with the provisions of the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation" (para. 57). In response to the mandate of the Development Cooperation Forum to review trends and progress in international development cooperation, the Department of Economic and Social Affairs of the Secretariat submits a biennial report to the Forum that provides an estimate of the scale of global South-South and triangular cooperation, its geographical and sectoral distribution and its effectiveness and impact.

57. The review above shows that the Addis Ababa Action Agenda indeed carries forward many of the ideas and proposals of the New International Economic Order. Implementation of the Agenda, therefore, not only will help to achieve the Sustainable Development Goals but will also mean the implementation of many objectives that were put on the international community's agenda a long time ago.

C. Paris Agreement and the goal of sustainable development

58. No development can be sustainable unless the threat posed by climate change can be dealt with effectively. The Paris Agreement, adopted at the twenty-first session of the Conference of the Parties to the United Nations Framework Convention on Climate Change in December 2015, has been a significant step in that regard. The international community struggled for a number of years to reach an agreement ever since the first commitment period of the Kyoto Protocol expired in 2012. The Paris Agreement has rekindled the hope that the international community will indeed rise to the challenge and mobilize the necessary concerted effort. Several features of the Agreement and how they relate to the ideas and objectives of the New International Economic Order are noted below.

Right ambition

59. The Paris Agreement states the aim of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and of pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels (article 2 (1) (a)). It calls for eventual balance by the second half of the twenty-first century between the anthropogenic emissions of greenhouse gases and their removal by sinks (article 4 (1)). Given that the annual global emission volume crossed 40 gigatons and the atmospheric carbon concentration crossed 400 parts per million, there were calls from pessimistic quarters to abandon the 2°C goal. It is noteworthy that, in adopting the Paris Agreement, States parties rejected such pessimism and reaffirmed their belief in the potential of joint action by the international community, which had been strongly articulated earlier in the outcomes on the New International Economic Order.

Principles of equity and of common but differentiated responsibilities

60. The Paris Agreement states that it will be implemented to reflect the principles of equity and of common but differentiated responsibilities and respective capabilities (article 2 (2)). It also states that parties aim for global peaking of greenhouse gas emissions as soon as possible, recognizing, however, that such peaking will occur in developing countries later than in developed countries (article 4 (1)). It was therefore agreed that developed countries continue to take the lead and undertake economy-wide absolute emission reduction targets, while developing countries are encouraged to do so in the light of different national circumstances (article 4 (4)).

Attention to adaptation

61. A distinguishing feature of the Paris Agreement, especially when compared with the Kyoto Protocol, is the attention given to the task of adaptation (article 7). Although it is recognized that "greater levels of mitigation can reduce the need for additional adaptation efforts" (article 7 (4)), the Agreement responds to the reality that a certain degree of climate change has become inevitable, owing to the

atmospheric carbon concentration that has already occurred and will continue to occur for some time, even under the best mitigation scenario, so that adaptation has become an important task. Each country is asked to prepare, submit and update periodically an "adaptation communication", spelling out priorities, implementation and support needs, plans and actions regarding adaptation (article 7 (10)). That has some parallel with the provision that each shall prepare, communicate and maintain successive nationally determined contribution with regard to mitigation efforts (article 4 (2)).

62. Greater attention to adaptation is important from the perspective of the New International Economic Order, because it also implies greater attention to the needs of the developing countries in the context of global efforts regarding climate change. First, many developing countries have a lesser role in mitigation because of their very low aggregate and per capita greenhouse gas emissions. Second, they are often more affected and vulnerable to the adverse effects of climate change, partly because of their physical location. Third, they have fewer resources to carry out adaptation while achieving the economic growth necessary to improve the material standard of living of their populations. Thus, the attention in the Paris Agreement to adaptation conforms to the spirit of the New International Economic Order.

Climate-related financial support for developing countries

63. Greater attention to adaptation in the Paris Agreement goes together with a stronger call for financial assistance from developed to developing countries. Article 9 (1)) clearly states that developed countries shall provide financial resources to assist developing country parties with respect to both mitigation and adaptation in continuation of their existing obligations under the Convention. Thus, apart from scaling up the amount of financial assistance in general, the Paris Agreement calls for a "balance between adaptation and mitigation", taking into account country-driven strategies and the priorities and needs of developing countries, which is a marked departure from the past practice of focusing financial assistance mostly on mitigation.

64. The Agreement states that developed countries shall biennially communicate indicative quantitative information about their financial assistance provided to developing countries. It stipulates that the Financial Mechanism of the Convention shall serve as the financial mechanism of the Agreement. The call in the Paris Agreement for greater financial assistance to developing countries and for balance between mitigation and adaptation in that assistance is in agreement with the spirit of the New International Economic Order.

Technology transfer and capacity-building for climate mitigation and adaptation

65. The Paris Agreement also emphasizes the need of developing countries for technological support and capacity-building. Its article 10, on technology transfer, calls for sharing a long-term vision on the importance of fully realizing technology development and transfer in order to improve resilience to climate change and to reduce greenhouse gas emissions. It states that financial support shall be provided to developing countries to facilitate the necessary technology development and transfer (article 10.6). It also states that the Technology Mechanism established under the Convention shall serve the Agreement (article 10 (3)).

66. The Paris Agreement recognizes the need for capacity-building in developing countries in order for them to make use of technology transfer. Article 11, on capacity-building, notes that the need is particularly acute for the least developed

countries and those countries that are particularly vulnerable to the adverse effects of climate change, such as the small island developing States. It notes that capacity-building should be with respect to both mitigation and adaptation. At the same time, the Agreement emphasizes that capacity-building should be "country-driven", based on and responsive to national needs and country-owned. It states that capacity-building should be guided by lessons learned from actual experience and be considered at the national, subnational and local levels, taking note of gender differences. It calls upon the developed countries to enhance support for capacity-building actions in developing countries. The Agreement states that all countries shall regularly communicate on their capacity-building efforts, just as they shall communicate their mitigation and adaptation efforts. It also notes the importance of appropriate institutional arrangements at both the national and international levels for facilitation of capacity development.

67. The emphasis in the Paris Agreement on technology transfer, capacity-building and necessary support from developed to developing countries in those respects is in agreement with the New International Economic Order, which also emphasized those issues, as previously noted.

Attention to special groups of countries

68. While emphasizing the importance of assistance to be provided by developed countries to developing countries, in general, the Paris Agreement calls for special attention to be given to special groups of countries, such as the least developed countries, landlocked developing countries and small island developing States. The special needs of such countries, and in some cases special groups of middle-income countries, have also been recognized in the Addis Ababa Action Agenda and the 2030 Agenda for Sustainable Development. There is more reason for that recognition in the Paris Agreement because, as mentioned previously, climate change has caused those groups of countries to be doubly jeopardized, even when they bear little responsibility for causing it.

69. Special attention to the least developed countries, landlocked developing countries and small island developing States is something on which the New International Economic Order was very keen. The Declaration called for "particular attention to the adoption of special measures in favour of the least developed, landlocked and island developing countries as well as those developing countries most seriously affected by economic crises and natural calamities" (para. 4 (c)). Thus, by emphasizing the special needs of the least developed countries, landlocked developing countries and small island developing States, the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda and the Paris Agreement are carrying forward an idea that the New International Economic Order had put forward.

Voluntary principle

70. One of the distinguishing marks of the Paris Agreement, particularly in comparison with the Kyoto Protocol, is its voluntary principle. The countries are free to determine their "nationally determined contributions" to the mitigation, adaptation and other climate-related global efforts. The adoption of the voluntary principle helped to break the impasse and arrive at an agreement.

71. While in agreement with the emphasis of the New International Economic Order on national sovereignty, the voluntary principle can be successful only if the nationally determined contributions add up to what is required to achieve the goal

set forth by the Paris Agreement. Similarly, materialization of the financial and technological and capacity-building assistance that has been asked of developed countries for developing countries depends on the voluntary efforts of developed countries. Thus, the adequacy of those efforts is not guaranteed. The key to the resolution of that apparent conflict can again be found in the New International Economic Order, which, alongside its emphasis on national sovereignty, emphasized the interdependence of the welfare and prosperity of developed and developing countries. Greater recognition of that interdependence will be important in achieving the goal of the Paris Agreement.

V. Role of the United Nations

72. The three outcomes, namely the Addis Ababa Action Agenda, the 2030 Agenda for Sustainable Development and the Paris Agreement, have been supported by the leadership and persistent work of the United Nations. The future success of those outcomes also depends crucially on the role of the United Nations.

73. To ensure that the United Nations plays its role, the Addis Ababa Action Agenda, the 2030 Agenda for Sustainable Development and the Paris Agreement have initiated important organizational platforms and processes to facilitate their implementation, including the newly introduced high-level political forum on sustainable development, the Economic and Social Council forum on financing for development follow-up and the Technology Facilitation Mechanism. The Paris Agreement also relies heavily for its implementation on the organizational mechanisms created under the United Nations Framework Convention on Climate Change: it states that the Financial Mechanism and the Technology Mechanism of the Convention shall serve the Agreement.

74. At present, the United Nations is devising the work modalities of the new forums and processes that have been created by the Addis Ababa Action Agenda, the 2030 Agenda for Sustainable Development and the Paris Agreement. Increasingly, the United Nations is enlisting in its work the participation of non-State actors, such as civil society organizations, non-governmental organizations and the business community. Managing the multitrack processes of cooperation itself poses considerable challenges, and their success depends on that cooperation.

75. The enhanced role of the United Nations was already envisaged in the New International Economic Order: the Declaration states that the United Nations "as a universal organization should be capable of dealing with problems of international economic cooperation in a comprehensive manner and ensuring equally the interests of all countries" (para. 6). It envisaged a central role for the Economic and Social Council in its implementation. All organizations were asked to submit to the Council their progress reports on the implementation of the New International Economic Order, and the Council was requested to draw the attention of the General Assembly to any difficulty experienced in the implementation of the Programme of Action. The United Nations may still take cues from those New International Economic Order ideas in considering ways to implement the Addis Ababa Action Agenda, the 2030 Agenda for Sustainable Development and the Paris Agreement, by ensuring sustained, inclusive and equitable economic growth and sustainable development.